

# The USA, from the Great Depression to WWII

## Wall Street Crash

In the 1920s, the stock market of the USA had boomed. This increase started to slow down, and some experts started to sell their shares. Panic selling followed to the point that on Thurs 24<sup>th</sup> Oct 1929 (Black Thursday), 13 million shares were sold. Investors, businesses and individuals lost millions. This became known as the Wall Street Crash and triggered the Great Depression...

## Impact of the Great Depression

Massive unemployment followed (13 mil by 1932) as businesses closed. People had lost their life savings, and those who had borrowed money to invest in the stock market were in debt, too. People stopped spending and industry halted, leading to more unemployment. Black workers were affected most – 50% of black Americans were unemployed by 1933, whereas it was about 20% for white Americans. Bankruptcy of farmers grew as people couldn't afford to buy their produce – many migrated to the west coast to find work on fruit farms. Marriage and birth rates fell, and suicide rates rose. Schools were closed. There was no national system of social security so people had to rely on charities for help.

## Hooverilles and Bonus Marchers

Hooverilles were shanty towns set up by people who lost their homes and had to build shelter out of whatever they could find. Conditions were appalling. The name was mocking President Hoover.

The Bonus Marchers were WWI veterans who wanted to claim their bonus years early. They marched to Washington (1932) and set up a Hooverville. They were offered money for the journey home, but 5000 refused to go. Government labelled them as rebels and communists. Conflict broke out and army called in. Violence was used resulting in deaths and injuries. Hoover was seen as heartless and uncaring.

## How did Hoover try to solve the Great Depression?

Early policies included cutting taxes (by \$130 million) and support for US farmers (the Hawley Smoot Tariff Act). He also set up relief agencies to help the unemployed.

Policies in 1932 included the Emergency Relief Act to support the unemployed, and the Home Loan Bank Act to boost the housing industry.

Hoover didn't pull the US out of depression, but it was a start and some of his ideas were continued by Roosevelt...

## Roosevelt and New Deal

The New Deal was Roosevelt's policy for ending the Great Depression. Loads of programmes were started in his first Hundred Days as President. It was based on the 3Rs – Relief, Recovery and Reform.

Banks were closed to 're-set' confidence in the system. Roosevelt gave speeches on the radio (Fireside Chats) to talk to the public and improve morale. Alphabet Agencies were government organisations that focused on different areas of relief, recovery or reform.

The Second New Deal was set up as unemployment was still at 10mil in 1934. The most important part of this was the Social Security Act which (for the first time) accepted that the government had responsibility for meeting the basic needs of citizens.

## How successful was the New Deal?

There was some success, but also failures. The reputation of the govt and President was improved. The economy improved, but this was often because of short term measures only. Many New Deal agencies discriminated against black people and they received worse treatment / lower pay than white people.

There was opposition to the New Deal – from politicians, individuals and some Supreme Court judges.

## The impact of WWII

Roosevelt set up the War Production Board to provide for US needs in war. The idea was to 'out-produce' the enemy. US industrial output increased massively – by 1945 50% of the world's manufacturing happened in the US. Jobs were created in war industries and through conscription.

Many experienced 'post-war affluence', but black Americans did not benefit from the same standards of living.